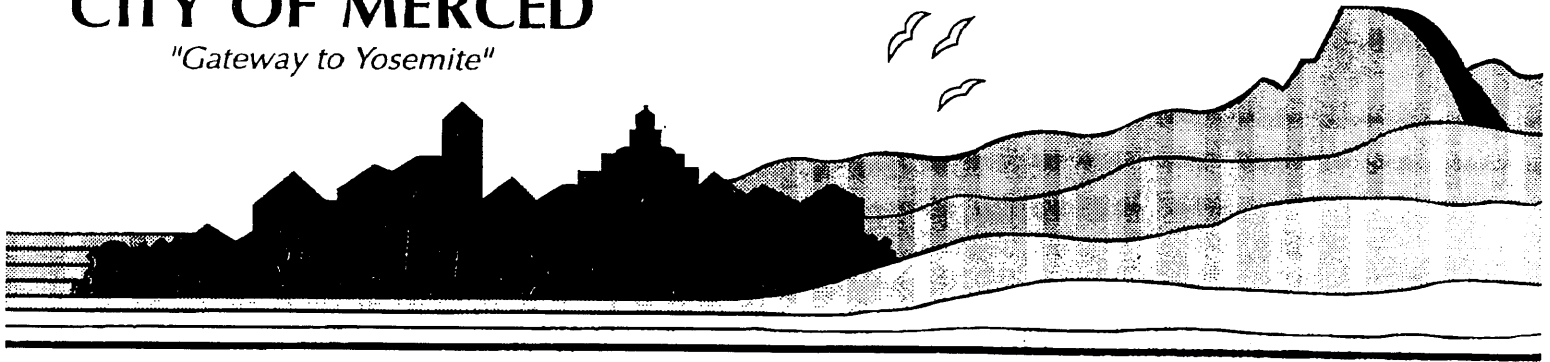


E1-191

CITY OF MERCED

"Gateway to Yosemite"



(209) 385-6834 • (209) 723-1780 FAX MAR 27 2003

March 27, 2003

Gary Petersen, Project Manager
Myra L. Frank & Associates, Inc.
811 West 7th Street, Suite 800
Los Angeles, CA 90017

RE: Finance Docket No. 34305, Burlington Northern and Santa Fe Railway Company - Construction and Operation Exemption -- in Merced County, California; Spur to serve Quebecor World Inc.

Dear Mr. Petersen:

We have received a letter dated March 4, 2003 from Victoria Rutson, Chief, Section of Environmental Analysis, of the Office of Economics, Environmental Analysis and Administration of the Surface Transportation Board, Washington, D.C. The letter advised the City of Merced to direct any comments regarding a proposed spur line connection from the Burlington Northern and Santa Fe (BNSF) main line to Quebecor to your office.

The City strongly urges the preparation of an environmental impact statement (EIS) since there are significant issues that must be addressed at this location. The proposed spur is shown on the enclosed Figure A-2, sent to us by Ms. Rutson. The spur would cross a parallel Union Pacific track and then Santa Fe **Avenue**, a lightly traveled road running on the southwest side of the tracks. A very heavily traveled arterial, Santa Fe **Drive**, is located parallel on the northeast side of the main railroad line and connects to Olive Avenue, one of the City's main east-west arterials, at Highway 59. The spur is not proposed to cross Santa Fe Drive, but resulting operations could impact traffic at the intersection of Olive and Highway 59. Any operations involving diverting rail cars to the proposed spur must not block traffic at Highway 59 or in other locations within the City. BNSF's current surface operations already significantly disrupt the major north-south arterial road system within the City, and the City is concerned about further disruption.

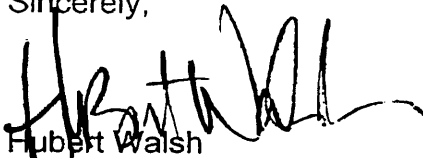
Gary Petersen, Project Manager
Page 2
March 27, 2003

The City requests that the environmental analysis address traffic circulation and access to the area north of Black Rascal Creek currently served by Santa Fe Avenue. This is a proposed light industrial area. Access for emergency fire response must be maintained to this area. The City is willing to discuss mitigation measures as outlined in the notes attached from the Development Review Committee meeting of March 20, 2003. Steve Hamilton, representing Merced County Department of Public Works, attended this meeting and his comments are incorporated.

Further, Burlington Northern and Santa Fe Railway Company has recently increased the elevation of their main line track at M Street within the City of Merced. This has left the approaches in an unsatisfactory condition and the crossing in an unsafe condition. BNSF has been notified on numerous occasions, yet has failed to make the needed corrections. The City would expect BNSF to take a more cooperative approach with regard to all activities in the City.

If you have any questions, please call David Tucker, City Engineer, at (209) 385-6846.

Sincerely,



Hubert Walsh
Mayor

Enclosures: Letter, Victoria Rutson, STB, to Jack Lesch, City of Merced
Figure A-2, attachment to original Ruston letter
Minutes, Development Review Committee meeting of March 20, 2003

Cc/w enc: Jim Marshall, City Manager
Jack Lesch, Director of Development Services
John Raggio, Director of Public Works Operations
Ken Mitten, Fire Chief
Tony Dossetti, Police Chief
John Hoffman, Principal Planner
Steve Hamilton, Merced County Public Works Department
Lena Kent, Burlington Northern Santa Fe Railroad
Hector Valdepena, Burlington Northern Santa Fe Railroad

DEVELOPMENT REVIEW (March 20, 2003)

Discussion also included Steve Hamilton representing Merced County Public Works.

Steve Hamilton noted:

1. There has been expansion of the waste water ponds in recent years (within the overall area bounded by the El Capitan canal on the west, the City of Merced Western Industrial Area/Black Rascal Creek on the south/east, and Santa Fe Road/Avenue on the north)
2. The entire area described in 1. above, including the as yet undeveloped portions, is zoned M-1 (Light Industrial) in the County
3. The recent County subdivision approved adjacent to (on the south side) Santa Fe Road/Avenue (El Capitan Meadows) has no access onto that road; this was done to direct that traffic away from the existing Beachwood Drive/Santa Fe Road/ Dan Ward Road intersection (within the immediate vicinity of an intersection with Santa Fe Drive, too) – the access to Santa Fe Drive in this vicinity is projected to be cut off in the future, with traffic from the immediate area carried westward on Dan Ward Road to the major north-south Franklin Road
4. Vehicle traffic connected with the waste water ponds uses Santa Fe Road/Avenue for access at this time
5. There has already been a recent traffic evaluation done of Santa Fe Road/Avenue, which reportedly shows traffic movements twice a day, towards Merced during early morning peak hour and away from Merced during afternoon peak along this road
6. The movements in 5. above are from people out of the immediate area; there is only one dwelling located between the El Capital Canal and Black Rascal Creek; it has direct access onto Santa Fe Road/Avenue

Observations made by City staff:

7. Fire Chief Mitten noted that there are at least 2-3 grass-type fires each year which begin in the County M-1 area west of Black Rascal Creek but which spread eastward into the City's industrial area; County Fire uses Santa Fe Road/Avenue to access the area for these blazes – City Fire uses Santa Fe Road/Avenue to access the area for these fires when they spread, and also for accessibility to the rear (North Side) of the Quebecor complex
8. In the event Santa Fe Road/Avenue is closed to through public traffic, there will still need to be a way for fire equipment from both City and County to access the

general area via this road; suggestions for prospective access included a chain and padlock or locked gate

9. Concern about the viability of the Santa Fe Road/Avenue bridge over Black Rascal Creek, which is in relatively poor condition at this time – apparently has a weight limit imposed upon it, and concern about use of it by large fire vehicles (noted by Fire Chief that County Fire currently uses the bridge several times a year; nonetheless, the concern remains as to whether its condition will necessitate repairs in the foreseeable future, even if it's use were limited to fire apparatus)
10. **Key concern:** If any future spur line is operated from the BNSF tracks in this area, agreement has to be reached with the railroad that no spur activity will take place at any time that will require other rail traffic on the main line to be held up within the Merced urban area {ie, that will shut off/affect any of the major (“G”, “M”, “R” or Highway 59/Olive) rail crossings}. Any necessary adjustments will be made elsewhere in the region, such as in Planada.

Prospective options to review in conjunction with any review of:

- A. Santa Fe Road/Avenue closed to through public traffic, retaining only emergency vehicle access – in this connection, the existing Santa Fe Road/Avenue bridge over the Creek needs to be evaluated, to see if it would require any renovation to keep it viable in the foreseeable future for City/County Fire Department access – necessary steps for insuring acceptable closure to the public but access by public safety to be borne by railroad (vs. costs saved for eliminated crossing equipment) which may included turnaround west of bridge, signs indicating “no outlet-dead-end road”, equipment to keep public out at east (Highway 59) end while allowing Fire Dept. access, etc.)
- B. Shift the beginning of the spur line further northward, which could require the spur to cross the Creek (however, crossing might be a culvert versus a bridge; the culvert crossing could be for both the spur and emergency vehicle access)
- C. Re-directing Santa Fe Road/Avenue southward to connect to Cooper Avenue, in order to provide needed access to the County M-1 zoning west of the Creek along the south side of the existing road (a caveat to this – if Beachwood is ultimately closed off from Santa Fe Drive, this would potentially leave only the possible roadway as convenient access into the extended industrial area west of the Creek, in case a public emergency cut off the Cooper Avenue connection, which would mean the area would be cut off from emergency access within any kind of acceptable time-frame; in this connection, the option should also be evaluated that, without acceptable access to the future (County) M-1, that property should be re-zoned to something else requiring only circuitous access).